

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 1989-230-EG - ORDER NO. 2007-762

NOVEMBER 1, 2007

IN RE: Investigation of Property Transfers from South) ORDER APPROVING
Carolina Electric & Gas Company, SCANA,) PROPERTY TRANSFER
Other SCANA Affiliates and Non-Affiliated) OUTSIDE
Entities, and Allocation of Expenses, Revenues) COMPETITIVE
and Plant between South Carolina Electric &) BIDDING PROCESS
Gas Company, SCANA and SCANA Affiliates)

This matter comes before the Public Service Commission of South Carolina (“Commission”) on a request by South Carolina Electric & Gas Company (“SCE&G” or the “Company”) to transfer certain real property without engaging in the competitive bidding process required by Order No. 92-931 (dated November 13, 1992). Order No. 92-931 articulates the requirement that SCE&G must engage in a competitive bidding process if it seeks to sell or transfer real property worth in excess of \$50,000.

According to SCE&G, it owns a parcel of land consisting of 55.6 acres in North Charleston, South Carolina near I-26 and Rivers Avenue. In April 2007, SCE&G completed its Charleston fleet maintenance center on a portion of this land and intends to build additional facilities on the property to both house the Company’s gas crew quarters and consolidate several of the Company’s smaller electric crew quarters. However, SCE&G states a portion of the tract is in the aviation glide path of Charleston Air Force Base and is therefore subject to very stringent building restrictions. In the middle of the

55.6 acre tract owned by SCE&G, the federal government owns 5.286 acres which is not in the aviation glide path and not subject to any building restrictions. According to SCE&G, it has negotiated an exchange of property agreement with the US government that contemplates swapping 13.26 acres of the 55.6 acre tract for the 5.286 acres owned by the federal government. No cash will be involved for this exchange of property.

In summary, the land within the 13.26 acre tract that SCE&G proposes to convey to the US government contains wetlands and severe elevation changes in addition to the property being wholly within the aviation glide path of Charleston Air Force Base. Whereas, the 5.286 acres that the US government will convey to SCE&G are flat, contain no wetlands, and the property is outside of the aviation glide path, thereby having fewer building restrictions. Due to the significant variance in the character of the land in a portion of the larger tract from the land in the remainder of the tract, SCE&G asserts that it is less suitable for the Company's needs.

According to SCE&G, for the reasons stated above, the property that SCE&G is receiving from the US government is much more valuable to the Company than the property SCE&G is conveying to the federal government.. SCE&G asserts its purpose for this exchange is to enhance operational efficiency through consolidation and centralization of its gas and electric crew quarters in the Charleston area, and SCE&G states it will better realize that purpose as a result of this exchange of property.

The Commission finds that SCE&G, in anticipation of consolidation and centralization of the Company's gas and electric crew quarters in the Charleston area, has negotiated an exchange of property with the US government to accomplish the

Company's plans to erect additional facilities. While the purpose of the bidding requirement detailed in Order No. 92-931 is to protect against affiliate preferences and insure that SCE&G disposes of real property in a manner which promotes fair and equitable treatment of the parties to the transaction, potential bidders, and SCE&G customers, the facts in this matter indicate SCE&G's proposed real estate transaction is a logical means for it to enhance operational efficiency through consolidation and centralization of the Company's crew quarters. No affiliate preference is involved and waiving the bidding requirement under these circumstances is both fair and reasonable.

In conclusion, the Commission waives the competitive bidding requirements of Order No. 92-931 and approves SCE&G's real estate transaction with the federal government. Accordingly, as described in SCE&G's request, SCE&G is authorized to exchange 13.26 acres that the Company owns in the City of North Charleston near I-26 and Rivers Avenue for 5.286 adjacent acres owned by the federal government without engaging in a competitive bid process.

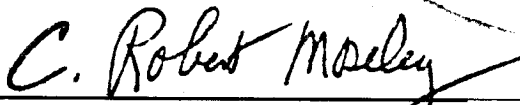
This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman
(SEAL)